

MT LEGISLATIVE HISTORY

Chapter 413 19 83

Bill H (S) 95

Original bill & hist. C

H. Committee on Education & Cultural Resources S. Committee on Education & Cultural Resources

Hearing Date(s) Mar 02 ✓ C

Hearing Date(s) Jan 21 ✓ C

Mar 11 ✓ C

Jan 26 ✓ C

 C

 C

 C

 C

Date Out C

Jan 26 ✓ C

Did this bill originate in an interim committee? Yes No

Committee

Report

COMMITTEE ON EDUCATION AND CULTURAL RESOURCES

<u>SENATE</u> BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CURRED DATE
35	1/3/83	1/12	1/12	1/12/83					
43	1/3/83	1/21 1/26	1/27		1/16/83				
57	1/5/83	1/12 1/14	1/14		1/14/83 as amended				
95	1/11/83	1/21 1/26	1/27	1/26/83					
149	1/14/83	1/19	1/20	1/19/83 w/ Statement of Intent					
153	1/14/83	1/19	1/20	1/19/83					
157	1/19/83	1/28 2/18	2/18			2/18/83			
158	1/14/83	1/19 1/26	1/27			1/26/83			
166	1/17/83		1/24 rereferred to State Administration Committee						
240	1/21/83	1/31	2/1	1/31/83					
246	1/24/83	1/28 2/11 2/16	2/17			2/16/83			
253*	1/24/83	2/2 2/9 2/7 2/11							
		2/12 2/14 2/16		TABLED 2/16/83					
282	1/25/83	1/31 2/18		TABLED 2/18/83					
297	1/27/83	2/9 2/16	2/17	2/16/83					
308	1/27/83	2/9 2/16	2/17			2/16/83			

Use a separate sheet for Senate, House Bills, and Resolutions.

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by Mortimer J. Adler, in which the author recommends programs occurring in smaller schools may well be the way for all schools to go as in many urban schools education is in a shambles. He further stated he had visited with John K. Ross Toole, who is a member of the Rhodes Scholar Foundation and had been told by Mr. Toole that bigger isn't better - most of their students come from small schools.

CLOSING: Senator Blaylock, in closing, stated in regard to Senator Smith's remarks, he couldn't agree more. But, he pointed out, we're not talking about a few real bright kids but lots of kids from all over who after high school are competing with people from schools with richer curriculums.

He noted Superintendent Argenbright's report stated boundaries should not be the main restrictors and each district should have the option to consolidate. He said he feels the university system must be told to stop remedial classes due to financial restraints as students must have adequate preparation in high school. He noted further that all the superintendents that testified are from isolated schools but two. He said he felt like Custer at the Bighorn but repeated again, the problem is not going to go away - we simply do not have the money.

SENATE BILL 95: Senator McCallum, District 12, sponsor of the bill, introduced Mr. Don Waldron, Superintendent, Hellgate Elementary District, Missoula, who reviewed the federal law on National Forest Funds (attached exhibit #11). Referring to the sheet "Forest Reserve Monies - How to Figure Impact to a Given County" Mr. Waldron said the 1981 figures are about the same but for 1982-83 they would be 25% with some as low as 70% (attached exhibit #12).

There has been some concern that school administrators and school boards would increase the general fund revenues because they had this money to work with. In answer to those concerns, the money would be delegated to county wide levies such as transportation, teacher retirement, elementary and high school teacher social security. Those levies would reduce on a county wide basis and the districts could not use the money to inflate their own budgets. These counties are largely owned by the federal government which does not pay taxes on the federal land. The forest funds are intended to compensate the counties for the tax dollars they lose as a result. Mr. Waldron maintains the state of Montana does not handle these funds fairly or properly.

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PROPONENTS

Bill Donahue, Superintendent of Schools, Superior, thanked Senator McCallum for sponsoring the bill. He stated Mineral County is 83% federal land and therefore they can only tax 17% of the land in the county. He stated if the bill passed it would mean \$56,000 to his school district. He said that amount might not look like much but with \$141,000 voted levy, the highest unemployment rate going, and mills closing and the foundation program funding in question any help at all is appreciated.

Bill Gould, Lincoln County Commissioner, referred the committee to the attached sheets (exhibit #13) and urged them to support the bill. He stated the counties desperately need the money.

Wayne Buchanen, representing the Montana School Boards Association, stated that organization voted to support the bill at their convention as a matter of equity.

Tom Doohan, Superintendent of Schools, Alberton, spoke in support of the bill stating his is the most highly levied district in the state and they desperately need the help the bill offers (attached exhibit #14).

Robert Banks, representing Frenchtown School District #401, stated he was administrator of a county in Idaho where the federal government owns 96% of the land. Because the county received its rightful share under federal law, they survived. He pointed out they would never have made it if the allotment was handled the way it is in Montana.

Mr. Waldrom said he had letters and resolutions from many organizations, school districts, and individuals in the counties which he would be happy to share with the committee if they so desired.

Senator Mohar, District 11, Troy, urged support of the bill.

OPPONENTS

Gary Steuerwald, Assistant Superintendent of Public Instruction, stated the bill would be a \$4.6 million drain on the foundation program. He said if the legislature could replace the lost money he would not oppose the bill.

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Owen Nelson, representing the Montana Education Association, spoke in opposition to the bill (attached exhibit #15).

There being no further opponents to the bill Senator McCallum closed.

ADJOURN: There being no further business before the committee, the meeting adjourned at 3:00 p.m.

A handwritten signature in cursive script, reading "Bob Brown", written over a horizontal line.

Senator Bob Brown, Chairman

jdr.

ROLL CALL

EDUCATION AND CULTURAL RESOURCES

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 1/21/8

[illegible]

TO: Senate Committee on Education and Cultural Resources

FROM: Lee Heiman, Committee Counsel

DATE: January 21, 1983

RE: Bill Summaries of Senate Bills 43 and 95

Senate Bill 43. (Blaylock). The bill would limit nonisolated high schools of under 100 ANB to the same schedule allowed for schools with 100 ANB, or \$1,747 per ANB. If a high school was designated as isolated, using the isolation criteria for elementary schools in the administrative rules (ARM 10.13.102), it would receive the same schedule rate now awarded that size of district.

Senate Bill 95. (McCallum). Provides that the one-third of money received from the federal government as forest reserve funds be allocated to the county high school transportation, elementary teacher retirement, and high school retirement funds rather than being used for foundation equalization purposes. If the money received is greater than the funds require, the money is held over for the next year.

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Pat Farbank	Wintona Federation of Teachers	43		
" "	" "	95		
Byron Lofgren	Visitor			
Barb McNeil	Hampshire			
Jack Adkris	Sidney	43		✓
Jim Stanton	Baker	43		✓
Don Schullery	Baker	43		✓
Pat Price	Judith Gap Schools	43		✓
Judi Bishop Peterson	Judith Gap Schools	43		✓
Carol W. Demich	Senate side	43		
Officer Upfinger	H.D. #3	43		✓
Fanny A. Lapson	School Dist. #45 Wolf Point	43		✓
Sarah Listerud	" " "	43		
Mary Lou Hepson	Wolf Point	43		✓
Miche Conner	Willow Creek	43		✓
Janette Mack	Willow Creek	43		✓
Dale Barker	Willow Creek	43		✓
John Steingraber	Willow Creek	43		✓
Jack E. Kober	Poplar	43		
Dennis Lumbold	Sidney			
Sam Rooney	Billings			
Alex Hoar	Billings			
Bob Williams	Hobson	43.		✓
Earl Messing	SCHOOL DIST 4 LIBRA & MSBA	43		
Stanley Lund	Med Lake Schools	43		✓
Delores Lunn	Med Lake School	43		✓
Marie McAlear	Town Bridges	43		✓

(Please leave prepared statement with Secretary)

VISITOR'S REGISTER

NAME	REPRESENTING	Check One	
		Support	Oppose
Richard Rossignol	Westby Schools		X
Ronald M. Mable	Calhoun Schools		X
Rod Thompson	Turner Schools		X
Dale H. Smith	Bainville Montana		X
Phil Waber	Lambert Schools		X
Robert Banks	Frenchtown, Schools	95 ✓	
William Donahue	Superior, Schools	95 X	
John Hoffman	Alberton Schools	95 X	43 X
Don Waldron	Hellgate Elem. Dist #4 Mtn	95 X	
John Hargrove	Harrison Public Schools		SB 43
Mike Krich	Willow Creek Schools		SB 43
Mary Ellen Jensen	Willow Creek School's		SB 43
Marlene J. Vandolak	" " "		SB 43
Lawrence R. Rummel		SB 43	
Richard Boese	Bricley - mt. - School Board Mayor & City Council		✓
Tim Gould	Lincoln County	SB 95	
Richard L. Webb	St Regis Public Schools	SB 95	SB 43
Ed B. Smith	State Senate		SB 43
W. J. F. E.	W. J. F. E.	43	43
Tom Aspin	Dist 50 -		✓
Jacob Dyer	Missoula Dist #1	SB 95	
Owen Nelson	MEA		SB 9
Gary Steinerwald	OPI		SB 9

(Please leave prepared statement with Secretary)

NAME: Bill Donahue DATE: 1/21/83

ADDRESS: School Dist NO. 3

PHONE: 822-4751

REPRESENTING WHOM? SUPERIOR School District NO. 3

APPEARING ON WHICH PROPOSAL: SB 95

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: School District NO. 3 states that
Federal money paid for Forest Reserve timber
sales should not be tied to the state
Foundation Program.

The intent of the 1908 FEDERAL LAW WAS
to relieve the property tax of the district in
which the forest timber was located. The
intent of this law is not being carried out.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

1	Fall River	31.44
2	Post Falls	29.00
3	Wilson	19.62
4	Shelby	17.06
5	Rosebud	16.53
6	Bichland	11.82
7	Big Horn	11.17
8	Liberty	9.24
9	Toole	8.14
10	Musselshell	6.62
11	Roosevelt	6.45
12	Phillips	6.13
13	Blaine	4.80
14	Chouteau	4.71
15	Treasure	4.49
16	Petroleum	4.40
17	McCone	4.26
18	Glacier	4.23
19	Golden Valley	4.14
20	Graffield	3.94
21	Judith Basin	3.69
22	Carter	3.62
23	Pondera	3.52
24	Prairie	3.39
25	Carbon	3.37
26	Valley	2.87
27	Daniel	2.83
28	Teton	2.76

state average
is 2.80 A/capita

Rank Order	County	Per capita value Per capita (\$/person)	Rank Order Forest Receipts
1	Ravalli	1.97	11
2	Deer Lodge	1.06	23
3	Cascade	1.11	-
4	Silver Bow	1.25	22
5	Mineral	1.26	6
6	Lewis + Clark	1.27	7
7	Gallatin	1.33	13
8	Lake	1.38	10
9	Park	1.38	12
10	Custer	1.40	-
11	Flathead	1.54	2
12	Jefferson	1.55	15
13	Missoula	1.64	4
14	Powell	1.65	5
15	Fergus	1.70	30
16	Yellowstone	1.82	-
17	Lincoln	1.84	1
18	Beaverhead	1.87	9
19	Granite	1.96	8
20	Broadwater	2.18	20
21	Sanders	2.23	13
22	Sweet grass	2.27	18
23	Wheat land	2.41	31
24	Hill	2.49	-
25	Stillwater	2.49	21
26	Dawson	2.54	-
27	Madison	2.61	14
28	Meagher	2.66	19

state average
is 2.10

Rank	County	Y3. of Forest Recpts. to Schools	Value per capita	Population
1	Lincoln	684,328	1.84	17,752
2	Flathead	289,579	1.54	51,966
3	Sanders	101,334	2.23	8,675
4	Missoula	69,905	1.64	76,616
5	Powell	58,781	1.65	6,958
6	Mineral	56,562	1.26	3,675
7	Lewis & Clark	31,819	1.27	43,039
8	Granite	27,724	1.96	2,700
9	Beaverhead	25,797	1.87	8,186
10	Lake	24,437	1.38	19,056
11	Ravalli	21,397	.97	22,493
12	Park	21,384	1.38	12,869
13	Gallatin	16,131	1.33	42,866
14	Madison	15,884	2.61	5,441
15	Jefferson	10,347	1.55	7,021

Subtotal

\$ 1,455,409

32,817

(429)

Total (all 34 counties) 1,522,094

give priority to areas affected by mineral development. Some energy-rich counties never see any money from the school equalization fund, according to Barbara Kennedy, planner for Custer and Powder River counties.

In a 1981 opinion, Attorney General Mike Greely said Montana should comply with the federal law and come up with some way of determining if those areas are given priority in the distribution of the royalties.

Forest Receipts

Final-payments were made to Montana counties by the U. S. Forest Service for their share of income from forest receipts.

Total payments for the fiscal 1982 revenue are as follows:

Beaverhead	\$ 77,390
Broadwater	17,936
Carbon	27,476
Carter	7,645
Cascade	5,178
Chouteau	888
Deer Lodge	10,259
Fergus	2,745
Lincoln	2,052,984
Madison	47,652
Meagher	18,731
Mineral	169,686
Missoula	209,716
Park	64,153
Pondera	3,083
Powder River	29,114
Flathead	868,737
Gallatin	48,392
Glacier	829
Golden Valley	685
Granite	83,173
Jefferson	31,040
Judith Basin	8,600
Lake	73,312
Lewis and Clark	95,457
Powell	176,344
Ravalli	64,190
Rosebud	8,196
Sanders	304,001
Silver Bow	11,256
Stillwater	15,936
Sweet Grass	23,208
Teton	6,794
Wheatland	1,484
Total	\$ 4,566,283

Forest service revenue is from timber sales, grazing fees, land use fees, recreation charges, utility fees, mineral revenues, and admission and user fees.

Montana counties are directed by state law to distribute the receipts to schools and roads.

County News

FLATHEAD county commissioners' decision to build a courtroom in Courthouse East contrary to Kalispell zoning regulations has city officials pondering their next move. State law gives public agencies authority to ignore local zoning regulations when using a facility for public use, but the city notes the county has not obtained a building permit. On that basis the city issued a stop-work order.

ROOSEVELT county and the Fort Peck Indian Tribes signed an agreement to form a county-wide solid waste district.

MISSOULA county's executive board of the Coalition for Local Government Study voted to proceed with designing a consolidated city-county government. If the plan proceeds sufficiently, the question will be put to city and county voters next November.

BIG HORN county hopes to include a solar-assisted heat recovery system when spring construction starts on the county's \$1.3 million hospital remodeling project. The system will be the first of its kind. The county has applied to the Dept. of Natural Resources and Conservation for a \$225,000 grant to help with installation.

LIBERTY county commissioners favor a proposed Tiber Dam hydroelectric plant because of probable increased tax revenues for the county and for the city of Chester.

LINCOLN county voters will decide in April whether or not they want a countywide anti-pornography ordinance.

RICHLAND county commissioners have decided to expand the county's law enforcement center to relieve overcrowding.

DATE: 1/21/83

ADDRESS: Helena

PHONE: 772-2180

REPRESENTING WHOM? MSBVA

APPEARING ON WHICH PROPOSAL: 95

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: W. Hooper DATE: 1/31/83

ADDRESS: Box 118

PHONE: (406) 722-3381

REPRESENTING WHOM? H. School Dist. #2

APPEARING ON WHICH PROPOSAL: SB 95

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: The Federal Law is clear. Monies
are to go to "the common school districts with
the county where the forests are situated."
These are not meant to be deducted from
Foundation Program allocations! These
monies are "in lieu of taxes" in areas
where most 70% of the land is non-tax
public owned.

I Idaho has implemented Federal Law
in the correct manner.

Thank you

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

PHONE: 626-5762

APPEARING ON WHICH PROPOSAL: No. 95

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

January 21, 1983

Montana Education Association
1232 East Sixth Avenue, Helena, Montana 59601
Telephone 406-442-4250

SB 95 - OPPONENT

To be consistent with our support for SB 94 - increasing the 40-mill county levy to 55 mills - we must oppose SB 95. We support increased funding for the financial support of educational equality.

If additional revenue due mainly to oil and coal valuation is to be used for equalization for all Montana students, then revenues from valuation of our Western forests should be treated in the same manner. To treat Federal Forest Reserve Money differently would be most unfair.

We strongly recommend that 33 1/3% of these moneys continue to be deposited in the common school fund for equalization purposes.

Owen Nelson
Montana Education Association

NAME: Richard L. Webb DATE: 1-21-83

ADDRESS: Box 308, ST. Regis, MT 59066

PHONE: 649-2311

REPRESENTING WHOM? St. Regis Public Schools

APPEARING ON WHICH PROPOSAL: S.B. 95

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

MINUTES OF THE MEETING
EDUCATION AND CULTURAL RESOURCES COMMITTEE
MONTANA STATE SENATE

January 26, 1983

The meeting of the Senate Education and Cultural Resources Committee was called to order by Chairman Bob Brown on January 26, 1983, at 1:03 p.m. in Room 442, State Capitol.

ROLL CALL: Roll was called with all members present.

Lorie Maynard and Tim Evanson, music students from Great Falls High School, spoke to the committee about their respective involvements in the music program (attached exhibits #1 and #2). Lorie is a member of numerous vocal groups and Delphian Choir and Tim is in Jazz and Symphonic Band. The students stressed personal development, discipline, and citizenship the program teaches are invaluable and urged the committee to support music programs in schools across the state.

The committee met in Executive Session to discuss Senate Bill 43, Senate Bill 158, and Senate Bill 95.

SENATE BILL 43: In discussion, Senator Haffey stated he felt the message to the committee is to let the taxpayers decide what they want on the local level. Senator Brown said he felt consolidation is already beginning and over the next decade nature will take its course and those necessary consolidations will have occurred. Senator Berg said it is necessary to keep the issue in the public conscience. Concerns were expressed about the number of miles traveled and the number of hours spent in transporting students if wholesale consolidation were to occur.

ACTION ON SENATE BILL 43: Senator Smith moved Senate Bill 43 DO NOT PASS. The motion carried on a roll call vote with Senators Blaylock and Berg voting no (attached exhibit #3).

SENATE BILL 95: Senator Smith stated he understands that of the 25% Federal Forest Funds 2/3 returns to the county for roads and 1/3 goes into the foundation program for schools, not back to the county for local schools. Senator Blaylock said that is the case, however, the 1/3 is discounted to the county. He said passage of the bill would be dangerous tinkering with the foundation program.

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January 26, 1983

ACTION ON SENATE BILL 95: Senator McCallum moved Senate Bill 95 DO PASS. The motion carried on a roll call vote with Senators Blaylock, Berg, and Mazurek voting no (attached exhibit #4).

ACTION ON SENATE BILL 158: Senator Berg moved to amend page 10 line 12, (attached committee report exhibit #5). The motion carried unanimously.

Senator Mazurek moved to amend page 10, lines 14-19 striking subsection (2) (attached committee report exhibit #5). The motion carried unanimously.

Senator Berg moved to adopt the statement of intent (attached committee report exhibit #5). The motion carried unanimously.

Senator Berg moved Senate Bill 158 DO PASS AS AMENDED. The motion carried unanimously.

ADJOURN: There being no further business the meeting adjourned at 2:33 p.m.



Senator Bob Brown, Chairman

jdr

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 1/1

[illegible]

Jan. 26, 1983

SENATE COMMITTEE ON EDUCATION AND CULTURAL RESOURCESDate Jan. 26, 1983 Senate Bill No. 95 Time

NAME	YES	NO
<u>Senator Bob Brown, Chairman</u>	x	
<u>Senator Ed Smith, Vice Chairman</u>	x	
<u>Senator Roger Elliott</u>	x	
<u>Senator Delwyn Gage</u>	x	
<u>Senator George McCallum</u>	x	
<u>Senator Elmer Severson</u>	x	
<u>Senator Harry Berg</u>		x
<u>Senator Chet Blaylock</u>		x
<u>Senator Jack Haffey</u>	x	
<u>Senator Joseph Mazurek</u>		x

Jill Rohyans
Secretary JILL ROHYANSBob Brown
Chairman SENATOR BOB BROWN *JB*Motion: by Senator McCallum that Senate Bill 95 DO PASS

(include enough information on motion--put with yellow copy of committee report.)

MR. **PRESIDENT:**

We, your committee on **EDUCATION AND CULTURAL RESOURCES**

having had under consideration **SENATE** Bill No. **95**

Respectfully report as follows: That **SENATE** Bill No. **95**

DO PASS

48 Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date
SB 95	REVISING THE ALLOCATION OF FEDERAL FOREST RESERVE MONEY TO SCHOOL DISTRICTS: AND PROVIDING AN EFFECTIVE DATE.	2-3	McCALLUM	3-2	TABLE	3-11
SB 149	AUTHORIZING THE BOARD OF PUBLIC EDUCATION TO ADOPT RULES FOR ISSUANCE OF DOCUMENTS CERTIFYING EQUIVALENCY OF COMPLETION OF SECONDARY EDUCATION.	1-27	HAMMOND	3-4	BE CONCURRED IN	3-4
SB 153	TO ALLOW A NONPUBLIC ELEMENTARY SCHOOL TO REQUEST THAT THE BOARD OF PUBLIC EDUCATION ACCREDIT THE SCHOOL.	2-26	HAFLEY	3-4	BE CONCURRED IN	3-
SB 157	TO REQUIRE STATE AGENCIES TO GIVE CONSIDERATION TO HERITAGE PROPERTIES FOR NEW SPACE NEEDS IN CERTAIN CASES.	2-28	BROWN	3-9	BE CONCURRED IN	3-
SB 158	TO GENERALLY REVISE THE LAW GOVERNING THE MONTANA SCHOOL FOR THE DEAF AND BLIND.	2-2	BROWN	3-7	BE CONCURRED IN	3-
SB 240	TO ALLOW THE TRUSTEES OPERATING A POSTSECONDARY VOCATIONAL-TECHNICAL CENTER TO INCLUDE IN THE PROPOSITION FOR AN ADDITIONAL LEVY IN SUPPORT OF THE CENTER	2-7	McCALLUM	3-2	BE CONCURRED IN AS AMENDED	

HOUSE EDUCATION COMMITTEE

March 2, 1983

The meeting was called to order by Chairman Fritz Daily in room 420 of the Capitol Building at 1:00 p.m., with all members present, except for Representative Eudaily, who was excused.

Chairman Daily opened the meeting to a hearing on Senate Bills: 35, 95, and 240.

SENATE BILL 95

SENATOR GEORGE W. McCALLUM, District 12, Niarada, opened by saying I would like to have Mr. Waldron present the testimony, and I would like to have the option to close.

PROPOSERS

DON WALDRON, Hellgate Elementary, Missoula, said we are asking to rectify an error in the way the State of Montana handles federal legislation. Mr. Waldron distributed written copies of his testimony, (see exhibit 1), together with information regarding National Forest Fund federal law, (see exhibit 2), and payments to counties in Montana from the National Forest fund. (see exhibit 3)

BILL GOULD, Lincoln County, spoke in reference to the National Forest Fund federal law. (see exhibit 2) Mr. Gould said I think there is a basic inequity this bill tries to correct.

BILL DONAHUE, Superior School District No. 3, said the superintendents from Alberton, Frenchtown, and St. Regis, also asked me to speak for them. Mr. Donahue stated quality education is a responsibility of local taxpayers along with the state. Superior and Mineral Counties, at this point, cannot handle this burden. To survive, we are going to have to remove staff, which means a reduction in the quality of our educational program. In regard to the foundation program, I took the figures of 9% maximum, and used our ANB figures. This would be an additional \$40,000 that our taxpayers would have to come up with. It is highly unlikely that this would pass. We are facing cut backs in staff unless we can get some help. Robert Banks, Superintendent at Frenchtown, Montana, who was formerly Superintendent at Salmon Idaho, said that the Salmon school district would have been non-existent had not it been for Idaho allowing the forest reserve to support the school districts in that state.

CHARLENE BAILEY, Lincoln County Superintendent of Schools, distributed a prepared statement. (see exhibit 4)

BILL COOPER, Libby School District, said I would like to tell you about the plight of the Libby School District in Lincoln County.

he total budget increase was less than 2% over the year before. Only 14% of all high school districts in Montana spend less than we do. In the elementary district, we are in the bottom 33%. In the second year of the last biennium, due to declining enrollment, we only received an increase of 4.8% in foundation increases at the high school level. Next year we will receive 2.7% less money in the foundation program than we did in the last biennium. Mr. Cooper distributed information concerning county school levies, taxes, and federal lands. (see exhibit 5)

EARL LOVICK, Libby, said I served on the school board 20 to 25 years ago. The county is 73% owned by the federal government. Approximately 15% of the county is owned by three large ranchers, who pay from \$.50 to \$.75 per acre. There is an extremely small remaining tax base. When the federal law was passed in 1908, this was intended to be in lieu of taxes which would be proportionate payment to the income on federal lands which would equalize the landowners taxes. This is not being accomplished. In the early 1970's, the state did not have the cash to pay their share of the foundation equalization money. Lincoln County consistently was the highest deficiency levy in the state. This levy was as high as 12 mills, countywide. It is my request that you favorably consider this bill, which I believe is in keeping with the philosophy and intent of the state equalization program, and to make available a basic adequate education to all children in the state.

MEL WALLAN, Fld, Co. Commissioners, submitted written comments. (see exhibit 6)

REPRESENTATIVE PAULA DARKO, District 22, Libby, said this addresses a need in our county, and I believe it is a right and fair solution.

REPRESENTATIVE GLENN MUELLER, District 21, Libby, said having been a school board trustee, I am very aware of this problem. I would like to see this considered where there are problems with a large amount of federal land involved.

REPRESENTATIVE MARY ELLEN CONNELLY, District 5, Malta, stood in support of Senate Bill 95, for reasons previously stated.

REPRESENTATIVE BERNIE SWIFT, District 91, Hamilton, said Ravalli County has some of the highest mill levies relative to the retirement fund. There is an excess of 50% of land areas in government ownership. Funds should be equalized in those areas where they are obtained.

WAYNE BUCHANAN, Montana School Boards Association, said in 1981, the Montana School Boards Association passed a resolution in support of a bill that was very similar to this one. It had to go through our delegate assembly and finally to our convention. A great many of these delegates are from eastern counties and

counties that would not benefit from this. Yet, when they heard all of the arguments, they responded to the arguments you have heard today. It was a matter of equity. The bill you have before you is a better bill. It provides direct property tax relief.

REPRESENTATIVE JOE HAMMOND, District 24, Alberton, rose in support of Senate Bill 95, for reasons previously stated.

OPPONENTS

OWEN NELSON, Montana Education Association, submitted written copies of his testimony. (see exhibit 7)

Senator McCallum closed by saying this bill does affect 34 counties. It conforms to federal law, and it is structured to teacher's retirement, transportation, and social security. All taxpayers will receive some benefits.

Questions from committee. Rep. Lory said why don't you put in a Taylor Grazing Act, it is the same thing. Mr. Waldron replied the federal law is worded differently than this is.

Chairman Daily closed the hearing on Senate Bill No. 95.

SENATE BILL 240

SENATOR GEORGE W. MCCALLUM, District 12, Niarada, opened by saying about four sessions ago under Vocational Education, whenever they had a differential in salary and had to go to the people for a voted levy, they had to state that it was for salaries alone. We don't do that for secondary and elementary schools, we run a levy for the operation of the school. What we have come up with in the finance committee is that if they have to run a special levy it would be for the operation of the Vo-tech, with no words saying that it is for salaries alone; we feel that is discriminatory.

ALEX CAPDEVILLE, Helena Vocational Technical Center, said each year when we go to the school board, we are faced with the issue of special mill levies. We have to specify that they are for salaries. We have some problems pertaining to negotiated agreements. In our district, each agreement would be put out on a separate ballot. If one of them failed, it would have to go back and be renegotiated. It gives constituents some flexibility. They can run money for the operation of line items, and they don't have to specifically be for salaries. It is difficult to put out a mill levy for salaries when you don't have the money. It is not the way to operate a quality program.

HARRY FREEBOURN, Butte Vocational Technical Center, submitted a prepared statement for the record. (see exhibit 8)

HOUSE EDUCATION AND CULTURAL RESOURCES COMMITTEE

March 2, 1983

Information Sheet

Senate Bills 35, 95, and 240

Senate Bill 35 - Conover

This bill would allow a district to retain an end-of-the-year cash balance of up to \$10,000 in the housing and dormitory fund. Under current law, any cash balance in excess of \$3,000 must be transferred to the general fund of the district. A larger cash balance would allow a district the funding to complete costly projects on districts-owned buildings that are leased or rented to pupils or teachers.

Senate Bill 95 - McCallum

This bill would allocate to specific county-wide school levy funds the federal forest reserve funds designated for schools of a county.

Federal forest reserve funds are derived from timber sales on federal lands. Since 1915, one-third of the forest funds generated in a county has been designated for the "common school fund" of the county. The remaining 66 2/3% goes to the general road fund of the county. Since 1949, the school share of forest reserve funds of a county has been used as a funding source for county equalization of elementary districts, along with the basic county tax of 25 mills.

This bill would remove (in 20-9-331) the forest reserve money as a source of county equalization for elementary schools and share the proceeds (in 17-3-213), in proportion to need, among the county wide school levies for:

- high school transportation
- high school and elementary school district retirement funds

Amendments to 20-9-332 and 20-9-335 are clerical in nature.

An amendment is suggested on page 1, line 21 to correct an incorrect reference to the high school transportation fund.

VISITOR'S REGISTER

HOUSE Education

COMMITTEE

BILL 95DATE 3/2SPONSOR Mc Callum

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Don Waldron	Missoula Mont	Helfgott Elem -	✓	
Bill Donahue	Superior, MT.	Superior Sch. Dist #103	✓	
Ed D. Lovick	Libby, MT.	W.P. Grove & Co.	✓	
R.E. Bauer	Billings	School Dist #2	✓	
Wayne Wallen	Whitefish	School District ²⁰¹⁰	✓	
Charlene Bailey	Libby	Lincoln County	✓	
Brynn Swift	Hamilton	Paradise Co. #191	✓	
Bill Cooper	Libby	Libby Sch. Dist #4	✓	
Bill Gould	Eureka	Lincoln County	✓	
Paula Darteo	Libby	Dist #22	✓	
Margella Conolly	Whitefish	Dist #15	✓	
Bill McCaig	Libby		✓	
Wayne Truchman	Helena	MSBA	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HELLGATE ELEMENTARY SCHOOL

DISTRICT NO. 4

2385 FLYNN LANE

MISSOULA, MONTANA 59802

Established in 1869

LOWER GRADES PRINCIPAL 721-2160

UPPER GRADES PRINCIPAL 549-6109



SUPERINTENDENT 728-5626
BUSINESS OFFICE 728-5626

March 1, 1983

Dear Representative:

Attached you will find material on Senate Bill 95, "An Act Revising the Allocation of Federal Forest Reserve Money to School Districts."

Forest funds are derived from the sale of forest products including logs, ties, poles, and pulpwood. Presently 25% of the monies received each year is paid to the state in accordance with Federal Law 16-USCS-500. The State Laws 17-3-211, 17-3-212, and 17-5-213, give 66-2/3% of the money to the general road fund in the counties and 33-1/3% to the common school fund. What happens to all counties like Lincoln County is that the state subtracts the 33-1/3% from their foundation program entitlement.

Counties such as Lincoln, where 73% of the land is owned by the Federal Government, do not receive any more tax relief than a county having only 1% ownership and should have a taxable return the same as any other crop land that is privately owned. Senate Bill 95 is asking that the state law be changed in order to give property tax relief to the counties where the forest lands are situated, as the Federal Law intended. The Federal Law states that this money is "to be expended as the State Legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated"

The intent of this Bill is to use the money to reduce county-wide school levies, elementary and high school teacher retirement, social security, and high school transportation. It is not to be used in the district general fund. District voters will still be required to vote the special levies for their general fund.

In the past, we have had support from state-wide groups such as County Superintendents, County Commissioners, School Boards Associations, and all the educational groups within the School Administrators of Montana, as well as many local school districts.

Please call if you have any questions or need additional information. The enclosures are for your information.

DONALD R. WALDRON
Superintendent
Hellgate Elementary School
Missoula, Montana 59802

Over One Century of Quality Education

FEDERAL LAW: NATIONAL FOREST FUNDS

16 USCS-500

:500. PAYMENT AND EVALUATION OF RECEIPTS TO STATE FOR SCHOOLS AND
ROADS: MONEYS RECEIVED: PROJECTIONS OF REVENUES AND ESTIMATED PAYMENTS

On and after May 23, 1908, twenty-five percentum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State in which such national forest is situated, to be expended as the State Legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated:*

PROVIDED, that when any national forest is in more than one State or county, the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber. Beginning October 1, 1976, the term.....

* Emphasis added

Rank	County	FY '82 Mill Value Per Capita (\$/person)	Rank	County	FY '82 Mill Value Per Capita (\$/person)
1	* RAVALII	1.97	1	FALLON	31.44
2	* DEER LODGE	1.06	2	* POWDER RIVER	29.00
3	* CASCADE	1.11	3	WIBAUX	19.62
4	* SILVER BOW	1.25	4	SHERIDAN	17.06
5	* MINERAL	1.26	5	* ROSEBUD	16.53
6	* LEWIS & CLARK	1.27	6	RICHLAND	11.82
7	* GALLATIN	1.33	7	BIG HORN	11.17
8	* LAKE	1.38	8	LIBERTY	9.24
9	* PARK	1.38	9	TOOLE	8.14
10	CUSTER	1.40	10	MUSSELSHELL	6.62
11	* FLATHEAD	1.54	11	ROOSEVELT	6.45
12	* JEFFERSON	1.55	12	PHILLIPS	6.13
13	* MISSOULA	1.64	13	BLAINE	4.80
14	POWELL	1.65	14	* CHOUTEAU	4.71
15	* FERGUS	1.70	15	TREASURE	4.49
16	YELLOWSTONE	1.82	16	PETROLEUM	4.40
17	* LINCOLN	1.84	17	McCONE	4.26
18	* BEAVERHEAD	1.87	18	* GLACIER	4.23
19	* GRANITE	1.96	19	* GOLDEN VALLEY	4.14
20	* BROADWATER	2.18	20	GARFIELD	3.94
21	* SANDERS	2.23	21	* JUDITH BASIN	3.69
22	* SWEETGRASS	2.27	22	* CARTER	3.62
23	* WHEATLAND	2.41	23	* PONDERA	3.52
24	HILL	2.49	24	PRAIRIE	3.39
25	* STILLWATER	2.49	25	* CARBON	3.37
26	DAWSON	2.54	26	VALLEY	2.87
27	* MADISON	2.61	27	DANIELS	2.83
28	* MEAGHER	2.66	28	* TETON	2.76

Note: State Average 2.80 \$/capita

(The top 15 counties in FY '82 forest receipts represent 42% of the State's population.)

* Indicates counties with Forest Fund receipts.

Information compiled by Bill Gould, County Commissioner of Lincoln County.
Adapted by Don Waldron, January 1983.

PAYMENTS TO COUNTIES IN MONTANA FROM THE NATIONAL FOREST FUND
FISCAL YEAR 1982

SB 95

COUNTY	TOTAL NATIONAL FOREST FUND RECEIPTS	1/3 To Schools	Mills to Reduce County Levies
BEAVERHEAD	77,390	25,796	1.68
BROADWATER	17,936	5,978	.84
CARBON	27,476	9,158	.34
CARTER	7,645	2,548	.39
CASCADE	5,178	1,726	.02
CHOUTEAU	888	296	.01
DEER LODGE	10,254	3,419	.26
FERGUS	2,745	915	.41
FLATHEAD	868,737	289,579	3.61
GALLATIN	48,392	16,130	.28
GLACIER	829	276	.01
GOLDEN VALLEY	685	228	.05
GRANITE	83,173	27,724	5.21
JEFFERSON	31,040	10,346	.95
JUDITH BASIN	8,600	2,866	.29
LAKE	73,312	24,437	.95
LEWIS & CLARK	95,457	31,819	.58
LINCOLN	2,052,984	684,661	21.01
MADISON	47,652	15,884	.58
MEAGHER	18,731	6,243	1.08
MINERAL	196,686	65,562	14.05
MISSOULA	209,716	69,905	.57
PARK	64,153	21,384	1.20
PONDERA	3,083	1,027	.04
POWDER RIVER	29,114	9,704	.13
POWELL	176,344	58,781	5.11
RAVALLI	64,190	21,396	.98
ROSEBUD	8,196	2,732	.02
SANDERS	304,001	101,333	5.24
SILVER BOW	11,256	3,752	.08
STILLWATER	15,936	5,312	.38
SWEET GRASS	23,208	7,736	1.06
TETON	6,794	2,264	.13
WHEATLAND	1,484	494	.09

34

TOTAL COUNTIES	4,566,283	1,522,094
----------------	-----------	-----------

Forest Fund receipts for fiscal 1982.

County evaluation as of 1/12/83 used for calculations.

January 1983
Don Waldron

FOREST RESERVE MONIES

How to Figure Impact to a Given County

Total forest monies received by County + by 3

(1/3 to school; 2/3 to county roads) gives total to county school fund.

County school fund forest monies ÷ county mill dollar amount.

Example: Lincoln County in 1982

School forest fund = 684,661 ÷ mill value 32,587 = 21.01 mills

The proposed legislation would use the 21.01 mill savings to reduce the following county wide school levies.

County wide levies:

General school	25 mills	
High School	15 mills	
H.S. Transportation	3.360	
Elem. Teachers'		
Retirement & Soc. Sec.	18.370	→ 21.01 mills
H.S. Teachers'		
Retirement & Soc. Sec.	6.960	

Suggested new law would reduce levies. Balance (if any) would be retained in reserve for future low years.

In Missoula County, the present year would amount to a .57 mills savings to reduce county levies.

In Mineral County, the present year would amount to 14.05 mills savings to reduce county levies.

Members of the House Education Committee
House Chambers State Capitol
Helena, Montana 59620

My dear Congressman:

We are strongly in favor of Senate Bill #95.

Lincoln County's percentage of National Forest lands is one of the highest in the entire state. According to Federal Law, forest revenue money is to be deposited in the public school fund of the county in which the forest is situated. The obvious intent of the bill is to relieve county taxpayers.

We are now obligated to add our forest revenue to the county's share of the foundation program. This means the taxpayers pay the mandated 25 mill levy while the state's share of the foundation program is lowered by the forest revenue amount. Absolutely no relief is given to the taxpayers of Lincoln County.

If Senate Bill #95 were passed, the county would still pay its 25 mills. However, this Bill would allow us to credit our forest money to those funds which are totally supported by the county (high school transportation and retirement). This is in keeping with the intent of the law, and is also the only fair manner of distribution.

Last year's county levies would have been reduced by 25.69 mills if Senate Bill #95 had been enacted.

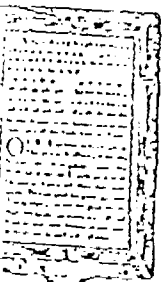
Mr. Miles Garrison, Principal
Lincoln County High School
Eureka, Montana 59917

Charlene Bailey
Lincoln County Supt. of Schools
418 Mineral Avenue
Libby, Montana 59923

Mr. Ron Blake, Superintendent
Eureka Elementary School
Eureka, Montana 59917

Dr. William Cooper, Superintendent
Libby Public Schools
East 111 Lincoln Blvd.
Libby, Montana 59923

Mr. Rick Hill, Superintendent
Troy Public Schools
Troy, Montana 59935



TOTAL OF 3 COUNTY SCHOOL LEVIES
1982-1983

(HS Transportation & HS and Elem.
Retirement)

Big Horn	6.09
Fillon	1.49
Powder River	2.03
Richland	5.32
Rosebud	6.48
Sheridan	4.72
LINCOLN	<u>33.91</u>

TOTAL COUNTY & DISTRICT SCHOOL TAX
(School Tax Burden)

Highest
Assessed
District

Lowest
Assessed
District

119.64	52.65
77.06	52.88
143.98 *	47.73
158.10	50.90
185.27 **	70.89
95.96 ***	56.27
<u>137.24</u>	<u>146.47</u>

*next closest Dist.
is 25 mills lower

**next closest Dist.
is 50 mills lower

***next closest Dist.
is 34 mills lower

PERCENT OF FEDERAL LAND BY
DISTRICT LINCOLN COUNTY

Troy	84%
Rexford	77%
Libby	59%
Eureka Elem	67%
Fortine	48%
McCormick	77%
Sylvanite	96%
Yaak	95%
Trego	59%
LHS	59%
THS	89%
LCHS	66%

73 percent of Lincoln County's land
is non-taxable.

WITNESS STATEMENT

Name Mel Wallan Committee On Education
 Address 6955 Farm Date March 2 1983
 Representing Flt Co Commissioners Support X
 Bill No. SB 95 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. The impact from timber industry add burden to the school budgets.
2. Only 30% of land is private in Flathead Co.
3. I do not believe the timber money was ever intended to reduce the general fund.
4. I do support SB 95.

Melford R Wallan
 Flt Co Comm.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

March 2, 1983

~~January 21, 1983~~

Montana Education Association

1232 East Sixth Avenue, Helena, Montana 59601

Telephone 406-442-4250

Exhibit 7

SB 95

SB 95 - OPPONENT

To be consistent with our support for SB 94 - increasing the 40-mill county levy to 55 mills - we must oppose SB 95. We support increased funding for the financial support of educational equality.

If additional revenue due mainly to oil and coal valuation is to be used for equalization for all Montana students, then revenues from valuation of our Western forests should be treated in the same manner. To treat Federal Forest Reserve Money differently would be most unfair.

We strongly recommend that 33 1/3% of these moneys continue to be deposited in the common school fund for equalization purposes.

Owen Nelson
Montana Education Association

VOCATIONAL TECHNICAL CENTER

Exhibit 8

SB 95

March 2, 1983

TO: House Education Committee
State Capitol
Helena, Montana 59601

FOR THE RECORD: Harrison J. Freebourn, Director *HJ*
Butte Vocational Technical Center

As the appointed representative of Butte School District No. 1, we support S. B. 240. At this time, the current law allows the Vo-Tech Center School Districts only to mill for personal services, which, in essence, is wages and fringes. Since the postsecondary center is an integral part of the local School District, the ballot wordage for the postsecondary millage should be the same as the elementary and secondary when presented to the voters

WITNESS STATEMENT

Name Bernie Swift Committee On Education
 Address 1900 Broadway, Helena. Date 3/2/83
 Representing Ravalli Co. - Dist. #91 Support ✓
 Bill No. SB 95 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. I support this Bill from the standpoint of helping reduce Western Counties, specifically
2. Ravalli Co., School Foundation tax levies - It is imperative that these counties be offered some relief or assistance in meeting our
3. education needs - my home county, Ravalli, has experienced some of the highest mill levies
4. for school support in the State and will continue to be faced with this same demand unless relief afforded by this Bill is forthcoming

Representative Dist 91 Bernie Swift

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Don Waldron Committee On H. Ed-
 Address 2385 Flynn Lane Missoula Date 3-2-83
 Representing Hellgate Elem. School Support ✓
 Bill No. S. B. 95 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Testimony will be handed out to members

2.

3.

4.

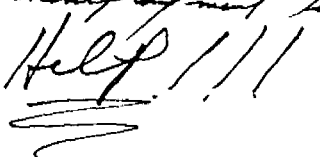
Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Bill Donahue Committee On Ed. - S.B. 95
 Address Box 400 Superior Date 3/2/83
 Representing School Dist. NO. 3 Support X
 Bill No. 95 Oppose _____
 Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Mineral County is 83% federal land - 17% is the entire amount of tax base - This bill will give property tax relief for a community which has had the highest rate of
2. unemployment in the state for the past two years.
 Help!!!


4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Bill Cooper Committee On Education
Address Rt 2 Box 76 A Date 2 March 83
Representing Lisby School Dist Support ✓
Bill No SB 95 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Chairman Daily closed the hearing on Senate Bill 358 at 2:30 p.m.

EXECUTIVE SESSION

SENATE BILL 94

Rep. Eudaily moved Senate Bill 94, BE CONCURRED IN, the motion carried 13 to 2, with Representatives Sands and Kennerly voting no.

The committee then voted to refer Senate Bill 94 to the Taxation Committee for executive action. The vote was 13 to 2, with Representatives Hammond and Daily voting no.

HOUSE BILL 544

Rep. Peck moved to reconsider previous action on House Bill 544. The motion carried unanimously, and House Bill 544 was taken from the table.

Rep. Peck moved House Bill 544, DO PASS.

Rep. Peck moved the amendments to House Bill 544, DO PASS.
Rep. Peck said these amendments would change the reate schedules from 12 and 12, to 4 and 4. The motion carried unanimously.
(see exhibit 35)

Rep. Peck moved House Bill 544, DO PASS as amended, the motion carried 14 to 1, with Representative Sands voting no.

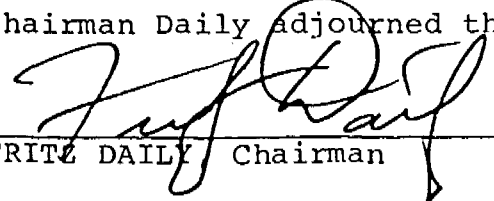
SENATE BILL 95

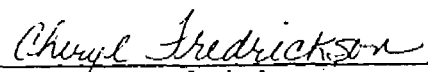
Rep. Eudaily moved to TABLE Senate Bill 95.

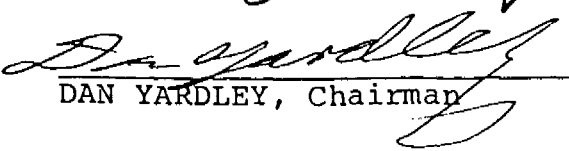
Rep. Hammond made a substitute motion, Senate Bill 95, DO PASS, the motion failed 13 to 2, with Representatives Hammond and Sands voting yes.

Rep. Eudaily's motion to TABLE Senate Bill 95 carried, with Representatives Hammond and Sands voting no.

Chairman Daily adjourned the meeting at 2:45 p.m.


FRITZ DAILY, Chairman


Cheryl Fredrickson, secretary


DAN YARDLEY, Chairman


Vicki Lofthouse, secretary